



The BEACON

Issue 3: *The Dollar, Revisited* SpotLight

A Study of Constitutional Issues by Topic

Topics:

Legal Tender Paper Currencies vs. the Constitution

Gold "Confiscation" vs. the Fifth Amendment

2012 marks the 150th anniversary of the first federal act which imposed a legal tender paper currency (popularly-called Civil War "Greenbacks") within the United States, the act of February 25, 1862.

2012 also marks the 220th year since the enactment of the April 2, 1792 act which created the mint of the United States and authorized the first actual minting of U.S. gold and silver coins.

Tragically, gold last circulated in the United States as a legal tender in 1933 (to be largely "prohibited" to citizens for the next 40 years) and silver last served as a circulating tender in 1965.¹

If strict-constructionists of the Constitution (such as this author) assert that the only constitutionally-authorized money for these United States of America even yet today is coins of gold or silver, while the only money in circulation is a legal tender paper currency, then the burden is on them (us) to fully explain the apparent contradiction between the stated **authority** and given **practice** of the U.S. government (at least that practice exercised since 1862).

That is exactly what *The Dollar, Revisited* and *Monetary Laws of the United States* seek to do, to make sense of our current *paper* dollars and *base-metal* cents, given the constitutional charge regarding money detailed in the clauses following.

1. It should be noted that Title 31, United States Code, Section 5103 states that "United States coins and currency...are legal tender..." meaning gold and silver coins remain a tender today (although their face value would only be a fraction of their paper currency exchange value as bullion).

Article I, Section 8, Clause 5 is the clause of the U.S. Constitution which grants Congress the power of coining money, simply stating:

"The Congress shall have Power...To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standards of Weights and Measures".

Article I, Section 10, Clause 1 contains the other primary monetary principle, detailing:

"No State shall...coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts..."

Taken together, these two clauses provide strong evidence that the only constitutional legal tender money in these United States of America is or may be gold and silver coins.²

That the *only* legal tender money in the United States for the first three generations following ratification of the U.S. Constitution was gold and silver coins provides a fair degree of evidence of this view.

While the first clause noted above details that Congress have the power "To coin" money, it does not here specify out of what materials Congress may use to strike that coin.

Since the second clause clearly specifies that only "gold and silver Coin" may be made "a Tender in the Payment of Debts", discussion which concentrates on the materials out of which money may be coined tends to begin here.

2. Discussion here is not meant to validate this assertion; please see *Monetary Laws of the United States* at www.MonetaryLaws.com for comprehensive support of this fundamental principle.



Of course, the first thing that legal tender paper currency proponents (correctly) point out is that Article I, Section 10, Clause 1 of the Constitution clearly prohibits only the several *States* from emitting a paper currency.

Legal tender paper currency advocates next (correctly) point out that legal tender paper currencies (which began being issued in the United States in 1862) have been emitted by or through the *federal* government, not any *State*.

Proponents of a paper currency generally next point out (correctly) that the Constitution does not likewise expressly prohibit *Congress* (or the federal government, generally) from emitting bills of credit (paper currencies).

The last significant point of the proponents of a paper currency is that neither does the Constitution contain any express words prohibiting *Congress* (or the federal government, generally) from making anything other than gold and silver coin a tender in payment of debts.

Not to be inappropriately muted, however, strict-constructionists of the Constitution (correctly) respond that Congress are *granted* express powers; thus, any powers other than those which were expressly granted (or those "necessary and proper" powers used to carry out those express delegations) are vested *elsewhere*.

The strict-constructionist therefore charges that express constitutional prohibitions against the improper exercise of federal authority are wholly unnecessary to cause that affect (that powers *beyond* those which were given were effectively withheld).

Article I, Section 1 of the Constitution, after all, confirms the literal vesting in Congress of *granted* powers:

"All legislative Powers herein granted shall be vested in a Congress of the United States..."

Thus, when specified express powers are granted, the parties granting these powers (and those which follow) retain all others they did not grant. A necessary consequence of granting certain powers means the powers not granted remain with the parties which did the granting.

This principle, of course, is expressly detailed in the **Tenth Amendment**, which reads:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people".

Given arguments above, one finds that discussion over an American legal tender paper currency tends to involve the split of powers between State and federal authority.

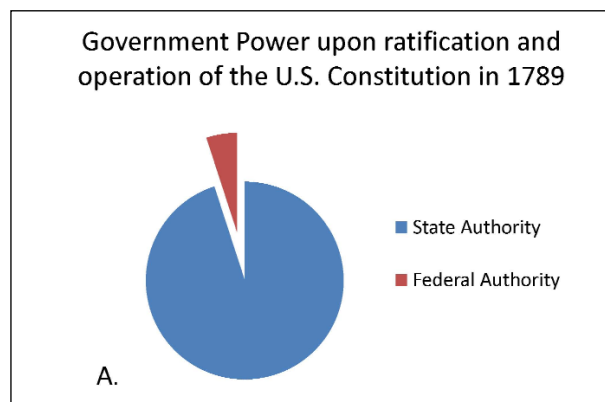
A closer inspection of that split of government power is therefore appropriate in the study of our money.

The "Rule" regarding Government Power in America

The Tenth Amendment clearly identifies the "Rule" regarding government power in the United States, that with ratification of the U.S. Constitution, government power was split between the federal and State government jurisdictions.

Below in Figure 1 is a pie chart which represents that division between federal and State authority as roughly exercised up to the Civil War era, which this author will take the liberty to call Government Model "A" ("A" for "Authorized" by the Constitution).

Figure 1. "The Rule": Government Model "A"



Federal power authorized by the Constitution is represented in the pie chart by the small red wedge. The point of this paper is not changed if some would argue for a federal wedge even a few times larger.

The remainder of the pie shown in blue represents allowable government powers of the State governments, which powers are delineated in the separate State Constitutions, excepting the express prohibitions detailed in the U.S. Constitution against the States (Art. I:10, etc.).

Of course, with ratification of any federal constitutional Amendment, the split between the federal and State government powers will vary accordingly.

While discussion may be open to the actual size of the federal/State split which should be shown in a pie chart, few people would likely argue against the view that before about the Civil War era, the U.S. Constitution was much more strictly followed and construed than post-war to present.

With ratification of the U.S. Constitution, the "Rule", so to speak, is that government power in the United States became divided into State and federal jurisdictions.

When learning about "Rules", it is often wise to also study any pertinent "Exceptions". This is critical in the present case, as will become evident with further study.

The Exception

Article I, Section 8, Clause 17 of the U.S. Constitution covers that Exception of the Rule of divided American government authority. It reads (italics added):

"The Congress shall have Power...to exercise *exclusive Legislation* in *all Cases* whatsoever, *over* such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become *the Seat of Government of the United States*, and to exercise *like authority* over all Places purchased by the Consent of the Legislature in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings".

Article I, Section 8, Clause 17 provides for the government of the District for the Seat of Government of the United States (i.e., the District of Columbia).

First of all, one realizes that the clause above requires a "Cession" of one or more States of their governing authority before Congress may accept the land for the government seat.

Figure 2 below shows a map of the lands ultimately ceded by Virginia (lower left) and Maryland (upper right).³

Figure 2.



3. In 1846, Congress retroceded the Virginian lands back to that State as they were not being used or needed.

The **Virginia Cession** of December 3, 1791 stated, in part:

"Be it therefore enacted by the General Assembly, That a tract of country, not exceeding ten miles square, or any lesser quantity...shall be, and the same is, forever ceded and relinquished to the Congress and Government of the United States, in full and absolute right and exclusive jurisdiction, as well of soil as of persons residing or to reside thereon".⁴

The **Maryland Cession** of December 19, 1791 stated, in part:

"Be it enacted by the General Assembly of Maryland, That all that part of the said territory called Columbia which lies within the limits of this State shall be, and the same is hereby, acknowledged to be forever ceded and relinquished to the Congress and Government of the United States, and full and absolute right and exclusive jurisdiction, as well of soil as of persons residing or to reside thereon".⁵

It is obvious that when the States of Virginia and Maryland "ceded" and "relinquished" government jurisdiction of these lands to the Congress which accepted them, that Congress gained control of these areas.³

This follows essentially the same principle as when King George III relinquished control of his former American colonies in the **1783 Paris Peace Treaty** following our successful conclusion of that Revolutionary War, when he surrendered his claims and stated he:

"relinquishes all claims to the government, propriety, and territorial rights of the same and every part thereof."

Similarly as when Great Britain relinquished her former governing power unto the State governments which then began exercising their authorities without challenge, so too did Congress begin exercising authority for the seat of government after the legal transfer of that authority.

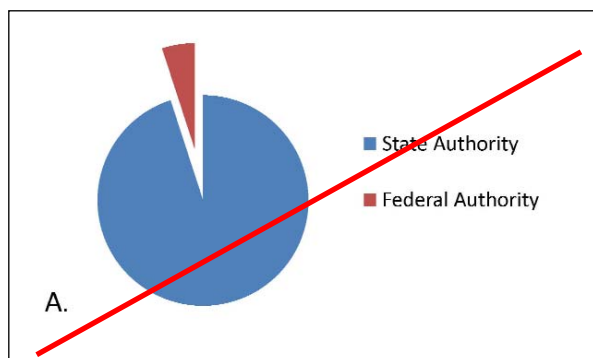
Article I, Section 8, Clause 17 clearly details that Congress shall "exercise *exclusive Legislation*" in "*all Cases whatsoever*" over the District constituting the "Seat of Government of the United States" (and "*like authority*" over places purchased within States for "Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings").

4. Congressional Serial Set, Vol. 58: Senate Document No. 286, 61st Congress, 2nd Session, *Retrocession Act of 1846*.

5. *Ibid*.

From Article I, Section 8, Clause 17, it is readily evident that in the District constituting the Seat of Government (and certain forts, etc.), our "Rule" of divided governing authority detailed earlier DOES NOT HERE APPLY (see Figure 3).

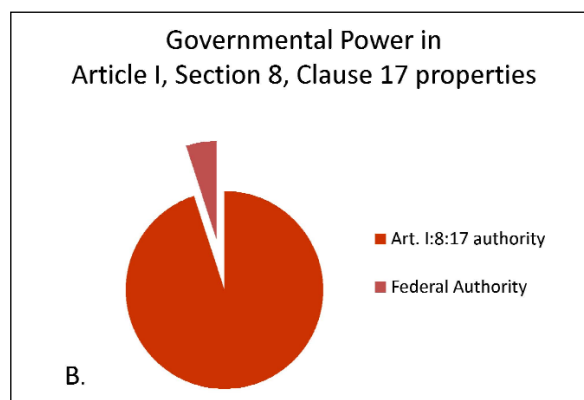
Figure 3.



Under the express commands of Article I, Section 8, Clause 17, the governmental "pie" over the District constituting the Seat of Government is vested *exclusively* in Congress, in "*all Cases whatsoever*".

Here Congress hold *all* governing power and it is not shared with anyone or any State. The pie chart for this exclusive control is shown in Figure 4 (which this author will call Government Model "B", for "Beguiling", as it has become):

Figure 4. "The Exception": Government Model "B"



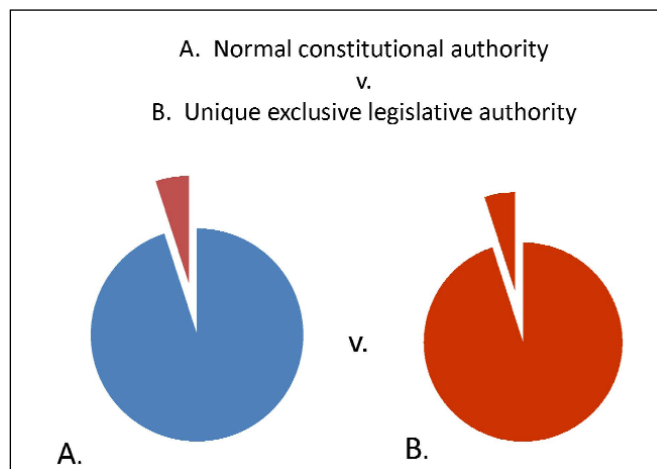
While the lands of the District which constitute the Seat of Government formerly were within the normal American model of bifurcated government authority (represented by Government Model "A" in Figure 1), after cessions by Virginia and Maryland and acceptance by Congress, State authority no longer applied there as represented by Government Model "B" in Figure 4.^{3 & 6}

6. Congress in 1801 (II Stat. 103, Section 1) provided that the respective State laws, "as they now exist" shall "continue in force" in the respectively-ceded lands (at least until Congress enacted new laws modifying them).

It is thus evident that the Constitution actually really authorizes *two* (very different) governmental models regarding the distribution of applicable government power.

Thus, the true applicability of government power in any given situation is a battle, if you will, between Government Models "A" and "B" (represented in Figure 5, below):

Figure 5. The "Battle", between Government Models "A" and "B".



Given the divergent and even opposing authorities of these two jurisdictions, it is imperative to understand at least the basic parameters involved in each so one may learn when each is applicable, as their inevitable consequences drastically differ.

At first glance, it would appear that the distinction between which government model of power operated in what instance should be simple, i.e., simply dependent upon whether one was physically located (or doing business, etc.) within an exclusive legislative jurisdiction (the District constituting the Seat of Government or within forts, magazines, arsenals, dock-yards, and other needful buildings where the State legislatures specifically ceded these lands and authority to Congress).⁷

Undoubtedly, this is pretty close to how the framers of the Constitution (and those who ratified it) envisioned it, as this was the norm for the next 70 years following.

Sadly, in the intervening years (especially after the onset of the Civil War), the link has had less to do with where one was physically located, and increasingly with acting in some manner which inextricably ties oneself to that exclusive legislative jurisdiction.

7. Not all land for all forts, etc. have been ceded to Congress by the States (in fact, the bulk have not been ceded, and therefore remain within Government Model "A" parameters).

It is not quite as simple as one's physical location for determining appropriate jurisdiction, for one must realize that when enacting exclusive legislation for the Seat of Government, Congress does NOT step down from their other (primary) Constitutionally-authorized roles.

One must realize that Clause 17 is found in Section 8 of Article I, which is the *precise* location found for the bulk of the remainder of the powers of Congress.

The effect of this is that Congress does not merely enact local legislation for the government seat, but these otherwise local laws remain part of the laws of the United States, giving them *nationwide operation "to the extent necessary to make them locally effective"*.⁸

The question becomes then, *What if, with Congress correctly remaining the legislature of the Union, they improperly concentrate on the giving of their otherwise local enactments "nationwide operation" but don't necessarily put a whole lot of emphasis on the latter part, "to the extent necessary to make them locally effective"?*

To better understand the implications of Government Model B, it is proper to return to **Article I, Section 8, Clause 17** (italics added):

"The Congress shall have Power...to exercise exclusive Legislation *in all Cases whatsoever*, over... the Seat of Government of the United States..."

The phrase "in all Cases whatsoever" should ring familiar among those well-versed in America's founding documents.

A quick look to the **Declaration of Independence** which contains a long list of grievances against the king "whose character is thus marked by every act which may define a Tyrant" and who was "unfit to be the ruler of a free people" shows that the early Americans were especially aggrieved at the king (italics added):

"For suspending our own Legislatures, and declaring themselves invested with power to legislate for us *in all cases whatsoever*."

"*In all cases whatsoever*" — the words used in Declaration of Independence against the very king who was charged a tyrant are the *exact* words used in Article I, Section 8, Clause 17 for Government Model "B"!

8. Senate Document #108-17: *The Constitution of the United States of America, Analysis and Interpretation*. 2nd Session, 108th Congress, Congressional Research Service, Library of Congress. Government Printing Office, Washington: Page 354. 2004.

The colonial Americans rebelled against the concept that the king or parliament could bind the Americans without their consent.

The Americans viewed legislative representation as the quintessential cornerstone of liberty.

In the words of the **Declaration**, those liberty-minded Americans further complained of the king that:

"He has refused to pass other Laws for the accommodation of large districts of people, unless those people would relinquish the right of Representation in the Legislature, a right inestimable to them and formidable to tyrants only".

Legislative Representation was the rallying cry for independence; it was this "inestimable" right to which the Americans would pledge their lives, their fortunes, and their sacred honor defending.

The embodiment of this principle became enshrined in the Constitution in **Article IV, Section 4**, which reads:

"The United States shall guarantee to every State of this Union a Republican Form of Government..."

A *Republican* form of government is government of one's own accord, crafted by those persons elected by the very people themselves, and who then operate only within the strict confines of allowable powers which were properly delegated them.

Representative government with defined parameters stands opposed to arbitrary government of wide discretion.

The Declaration of Independence charged that the king sought to legislate over the colonial Americans "in all cases whatsoever".

The Declaration also uses the following terms to describe the attempts of the British government and king to legislate in all cases whatsoever:

- absolute Despotism · Tyranny
- absolute Tyranny · Perfidy (treachery)
- Tyrants · Tyrant
- Arbitrary government

Recall that Article I, Section 8, Clause 17 required that the lands for the Seat of Government must be ceded *from* (particular) States. If the lands were ceded *from* States, this area no longer pertains *to* States. The areas are now federal districts, fully independent of any State.

A look into **Article I, Section 2, Clause 1** is helpful into understanding the District constituting the Seat of Government is not a State and is no longer part of any State. It reads:

"The House of Representatives shall be composed of Members chosen every second Year by the People of the several States..."

Likewise a look into **Article I, Section 3, Clause 1** is similarly helpful — it reads:

"The Senate of the United States shall be composed of two Senators from each State..."

Americans may easily find out, if they do not already know, that the District constituting the Seat of Government for the United States of America chooses no Representatives and neither has any Senators which meet together with the Senators and Representatives from the States in a Congress of all the States.⁹

Thus the District has no legislative representation; the members of Congress from the States (Representatives and Senators) have *exclusive* legislative authority for the government seat, they here enact all legislation "in all Cases whatsoever".¹⁰

This, of course, is diametrically opposed to the States, to which are expressly guaranteed *Republican* forms of government (by Article IV, Section 4).

Residents of the District constituting the Seat of Government have no actual say in the laws Congress passes for the District (nor for the whole United States, for that matter), as they have no hand in choosing representatives.

The District for the Seat of Government was created so the Union didn't need to look to any State for its protection; to separate the individual States from the influence of the government of the United States, and to separate the government's influence from the States.

The real problem is not for the relatively few residents who choose to live within the District constituting the Seat of Government of the United States, but for the rest of us in all the States which have unwittingly come under this rather oppressive form of government.

Thus it is vitally important that freedom-loving Americans learn more about it, as this government seat authority provides Congress with a powerful loophole under which they may exercise unprecedented discretion (certainly relative to Government Model "A").

9. A *non-voting* delegate for the District of Columbia is not a Representative within the meaning of Article I, even though that delegate is meant to somewhat provide the appearance.

10. It is immaterial if Congress have delegated some "home rule" type of authority to a board of commissioners, mayor and city council, etc., as the Constitution vests Congress with the permanent control of the government seat (and thus that power must remain in Congress).

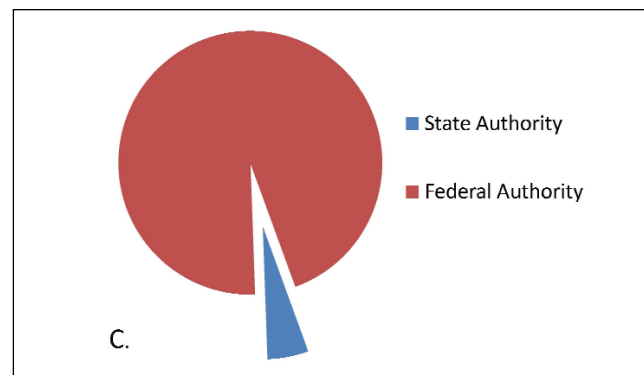
Many strict-constructionists charge that Congress and the federal government act as powers unto themselves, doing pretty much as they please (the very definition of arbitrary government).

Critical-thinking Americans should be beginning to at least question whether Congress have been operating under the power of Congress to legislate for the Seat of Government (Government Model "B", Figure 4) rather than their proper authority for all the United States of America (Government Model "A", Figure 1).

After contemplation, however, a third government model may come to mind, in addition to the two models discussed above.

The alternative model is evidenced by the current practices of the federal government; that of a greatly-expanded federal government power all but devouring the nearly-powerless State governments, or as shown in Figure 6 by Government Model "C" below (for "Cabal"):

**Figure 6. Government Model "C":
Expansive Federal Authority**



While there may again be some argument over the actual percentages attributed to the State and federal governments in Models "A" and "C", few people would likely argue against the charge that the federal government today exercises a far greater role in government affairs than in the past (even as the ratified Amendments nowhere seem to authorize such greatly-expanded government actions).

While Americans should readily concede that ratified Amendments increase the federal wedge of authorized federal action when an Amendment grants a new federal power, many would undoubtedly yet argue the ratified Amendments have only authorized marginal increases.

Since only the *States* may change the powers of the federal government (by Amendment or through another convention), any "change" of activity occurring solely within the Congress, the Executive branch, and/or even the Courts would yet not change the Constitution.^{11 & 12}

The bulk of increased federal activity practiced over time seems to merely come through actions of Congress, the President and his executive officers and/or the supreme Court *acting on their own accord, or jointly*.

Under Government Model "A", however, even if one argues over the given size of federal wedge, it cannot be successfully supported that Congress, the President and/or the Courts may change their (or other's) powers one iota.

That the government merely seems to get away with its improper actions (even for an extended period of time) does not actually provide justification.

For example, during the 2012 presidential election, California, under 2010 census numbers, had 55 electoral votes. The 14 States with the lowest population numbers, in contrast, only had 51 electoral votes.

In the Presidential election race, California had more political pull determining the Presidency than 14 States with the lowest population numbers.

However, in ratifying an Amendment, if these same 14 States voted against ratifying the proposed Amendment, even if California *and every other State of the Union voted for the Amendment*, these 14 States with the lowest population numbers could forestall the Amendment.

Obviously, if those elected (or appointed) to office may change their own powers at will, there would have been no sense making such stringent ratification requirements.

In reality, Government Model "C" does not exist. Government Model "A" may only be modified *only by ratified Amendment* (or by another convention). Court "interpretation" of the Constitution in new light is but deftly leading the "mark" away from the true battleground.

The realization that even 150 years of improper government activity (activity not supported by the Constitution) doesn't actually *change* the Constitution means that limited government under the Constitution is yet within our grasp, if we can only learn the improper but successful methods used to bypass normal constitutional parameters (of Government Model "A").

11. See Article V of the U.S. Constitution. While Congress may *propose* Amendments, only the States may *ratify* them (and only the States attend conventions and ratify any changes proposed there).

12. It is seldom that some new legislative act into an area previously off-limits rests its authority on a newly-ratified Amendment (such as federal laws prohibiting slavery due to the 13th Amendment or imposition of an income tax without apportionment due to the 16th Amendment).

The wonderful implication of such a principle is that a return to constitutional principles *is yet conceivable for Americans today* (along the lines of 1850's America, but without slavery, harsh voting restrictions, etc.).

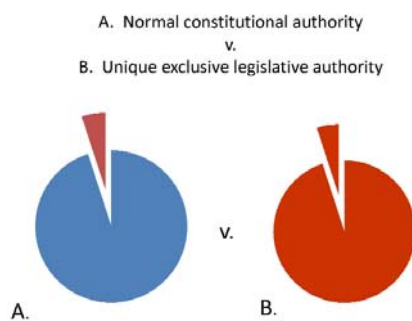
We must simply expose the methods employed to bypass Government Model "A", to operate instead by Government Model "B" (*while appearing to operate under non-existent Government Model "C"*).

One should realize that activities occurring today which are outside Government Model "A" parameters (even those which have been around for 150 years such as a legal tender paper currency) may be yet be swept aside once we liberty-minded Americans learn to protect ourselves through understanding Government Model "A's" bypass methods.

Question #1:

Given:

1. that the Declaration uses the terms, "absolute Despotism", "absolute Tyranny", "Tyrants", "Arbitrary government", "Tyranny", "Perfidy", and "Tyrant";
2. that the Declaration uses the phrase "in all Cases whatsoever";
3. that the Constitution uses that same phrase "in all Cases whatsoever" to describe the government model for the Seat of Government where only Congress holds any legislative power (Model "B"); and given
4. that many Americans today charge the federal government with seemingly-despotic and tyrannical actions, *which of the following government models seems to correlate more closely with those actions, even if only on a general level?*



The answer, of course, is "B".

Question #2:

Is the District which constitutes the Seat of Government of the United States a "State"?

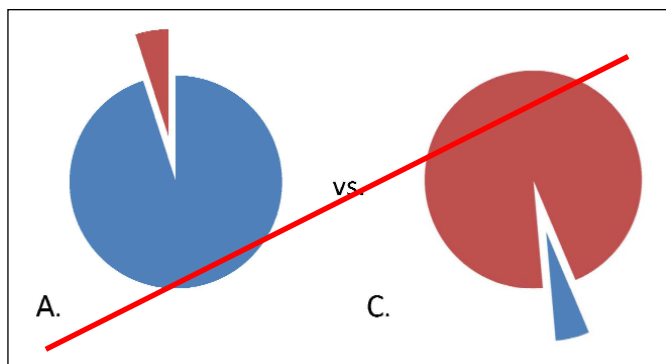
The short answer to question #2, of course, is "No".

Given the incredible claims listed above (that limited government remains within our grasp today) further examination into such matters becomes necessary.

The first matter in regaining limited government under the Constitution is to conceptually understand the battle correctly, no matter which false path proponents of expanded government attempt to lead us down.

Thus, the battle for reclaiming individual liberty and limited government under the Constitution is not as depicted by Figure 7, nor even as depicted in Figure 8, *but only as is depicted by Figure 5*, (between Government Models “A” and “B”) and shown here again as Figure 5b.

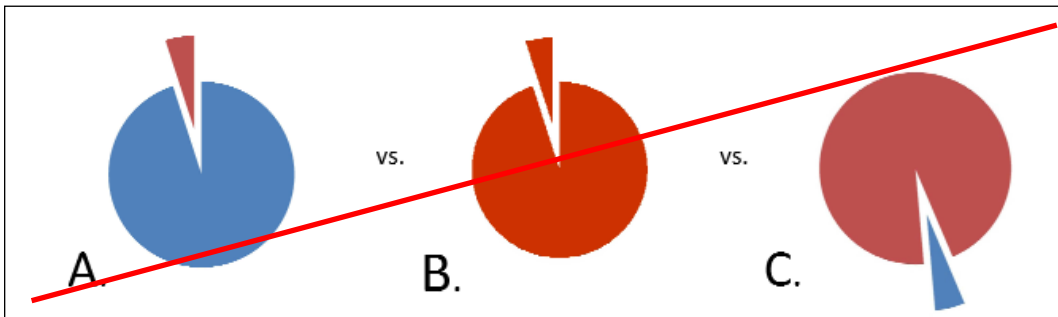
Figure 7.



Since Government Model “C” is nowhere authorized by the Constitution (but seems only to exist in the practice or operation of the federal government which we have simply failed to comprehend), *it doesn’t actually exist*.

Since the expanded Government Model (“C”) *does not exist*, the battle as depicted in Figure 7 which strict-constructionists have been futilely waging for 150 years is invalid *and must be discarded* (we cannot win a war where both “sides” operate from a false base of illusive authority, where one only fights non-existent phantoms).

Figure 8.

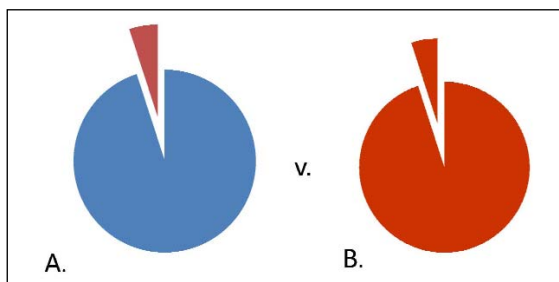


Since Government Model “C” does not exist, Figure 8’s “battle” can also be likewise safely discarded.

The actual battle to regain limited government under the Constitution so we can reclaim our liberty which our

founders created for themselves and their posterity is therefore simply the battle between one constitutional clause (Article I, Section 8, Clause 17) *and the remainder of the Constitution*.

Figure 5b. The Actual Battlefield to Regain Liberty and Limited Government under the WHOLE Constitution.



With the true battle lines appropriately drawn, the battle to reclaim individual liberty and limited government under the Constitution therefore merely becomes properly understanding the critical differences allowed by the Constitution for each form of government therein actually authorized.

Our Republican Form of Government authorized by Government Model “A” can therefore be reclaimed simply by proper education of the Constitution and how much of it has been improperly cast aside, *without the need to elect any certain person to any executive office, elect any specific legislative member to Congress, or enact any specific law* (court battles and repealing laws are likely, if not inevitable).

It is obvious with a proper understanding of Article V of the Constitution and the power of amendment, who happens to exercise the powers of government only matters within their sphere of actual delegated discretion, but not one iota to the *extent* of their powers.

Thus whether a Romney or Obama are elected President no longer carries such vast implications regarding the future role of the United States as Government Model “C” would otherwise suggest.

No individual or group have such an unprecedented role in the our future simply because no federal government officer (or legislative member) or

group of them can bend government to their liking away from its impenetrable constitutional underpinnings.

Only the States may change the actual powers of the federal government (and the ratified Amendments to date have changed the Constitution relatively little as a whole).

The laws we need to reclaim our liberty and limited government were enacted long ago, we must merely figure out how to brush aside the great bulk of laws enacted under Government Model "B" for the District constituting the Seat of Government which do not really apply other than as they are necessary and proper to make them *locally* effective, only for federal districts.

The Seat of Government is NOT a State

Since the acquisition of money is central to so much of our individual and collective efforts, there is perhaps no more important an example of this principle than shown by careful inspection into our money.

Looking into a legal tender paper currency provides much-needed illumination on this clever mechanism.

The primary matter in understanding Clause 17 regarding our money is to realize that the District constituting the Seat of Government is not a "State".

Article II, Section 1, Clause 2 details, in part, that:

"Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress..."

This clause provides that "Each State" shall appoint "Electors" for electing the President of the United States (and the Vice-President) in the Electoral College.

Of course, since the District constituting the Seat of Government is not a State, this District did not appoint electors, at least prior to the 1961 **23rd Amendment**, which reads, in part (*italics added*):

"The District constituting the seat of government of the United States shall appoint in such manner as the Congress may direct:

"A number of *electors* of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled *if it were a State*..."

Since the 1961 ratification of the 23rd Amendment, electors for electing a President and Vice-President will be selected for the District constituting the Seat of Government even though it is not a State.

This is because the command in Article II, Section 1, Clause 2 that "Each State" was to appoint "Electors" was *modified by Amendment* to allow "the District constituting the seat of government of the United States" to select "A number of electors" for electing the President and V-P to which the District would be entitled "*if it were a State*"

(although the express caveat "but in no event more than the least-populated State" was also added in the amendment).

Obviously, the 23rd Amendment candidly admits that the District constituting the Seat of Government of the United States is NOT a State (or otherwise the Amendment would have been unnecessary [and residents of the District would have had a voice in selecting the President through their electors all along]).

The District constituting the Seat of Government is not represented in Congress by Senators or Representatives, because it is not a State.

The District constituting the Seat of Government has electors for electing the President and V-P even though it is not a State only because the 23rd Amendment modified the original clause in the Constitution which specified only States may appoint electors and allowed Congress to select the number of electors for the District "*as if it were a State*".

The principle that the Seat of Government is NOT a State is confirmed by Article I, Section 2, Clause 1; Article I, Section 3, Clause 1; Article I, Section 8, Clause 17 and the 23rd Amendment.

The necessary implication of the District constituting the Seat of Government not being a State is that it is not held to the same standards for States, including the express prohibitions of Article I, Section 10, Clause 1 that "No State shall...coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts"!

Americans must realize that without the express prohibitions of Article I, Section 10, Clause 1, States would be empowered to coin Money, emit Bills of Credit, and make things other than gold and silver coin a tender in payment of debts.

In fact, *before* ratification of the Constitution, the States did precisely that. During the colonial period, during the period after which the States declared their independence and even the period after ratification of the Articles of Confederation, they all emitted bills of credit and they all made things other than gold and silver coin a tender in payment of debts.

Some States even coined money, but as silver and especially gold were quite scarce in the colonies and newly-formed, deeply-indebted States, the coinage of money by States was much less frequent.

Many Americans know from their childhood history books that many things were widely made legal tenders in the early colonies and States, especially paper currencies, tobacco, beaver skins and wampum.

Before the ratification of the Constitution, the States were empowered to coin Money, emit Bills of Credit, and make things other than gold and silver coin a tender in payment of debts.

Since the ratification of the Constitution, the States are now prohibited from coining Money, emitting Bills of Credit, and making things other than gold and silver coin a tender in payment of debts, *due only to the express prohibitions of Article I, Section 10, Clause 1.*

Question #4:

May the Seat of Government...

A. Coin Money?

B. Emit Bills of Credit?

C. Make any Thing other than gold and silver Coin a Tender in Payment of Debts?

The answers to Question #4 have been answered "yes" by the supreme Court, although in rather cryptic fashion.

Since the District constituting the Seat of Government of the United States is not a State, *the prohibitions applicable to States do not here apply.*

Legal Tender Paper Currencies

Congress first emitted a legal tender paper currency in 1862 under Government Model "B" and the supreme Court upheld that power only under the same logic, though neither readily admitted as much.

A look into the legal tender statutes and legal tender court cases is now pertinent.

Congress enacted the very first legal tender paper currency by the Act of **February 25, 1862** (XII Stat. 345) which made United States notes "lawful money and a legal tender in payment of all debts, public and private, *within the United States*", except for payment of interest by government upon bonds and notes and except for payment of duties to government on imports.

This legal tender paper currency was enacted by Congress within their authority under Article I, Section 8, Clause 17, with the definition of phrase "within the United States" in the 1862 act *simply redefined as the District constituting the Seat of Government.*

Congress was merely exercising their power to legislate exclusively "in all cases whatsoever" when they emitted their legal tender currency, *which had no direct bearing on Article I, Section 8, Clause 5 or Article I, Section 10, Clause 1.*

Remember, there are no direct prohibitions against Congress exercising such powers, so they are not actually

restricted from exercising them within the *District constituted for the Seat of Government of the United States* (the lack of proper delegation of power is *here* irrelevant because the bulk of the Constitution was *never meant to limit Congress acting for the government seat*).

To test that latest assertion, let's look into the first legal tender court case to uphold a legal tender paper currency, which was the 1871 case of **Knox v. Lee**.

It is interesting to note several key passages of this ruling. First was the following:

"The legal tender acts do not attempt to make paper a standard of value. We do not rest their validity upon the assertion that their emission is coinage, or any regulation of the value of money; nor do we assert that Congress may make anything which has no value money."¹³

The first court case upholding a legal tender paper currency emission expressly stated that the court did NOT rest the validity of a legal tender paper currency "upon the assertion that their emission is coinage".

Further, neither did they rest the validity of a legal tender paper currency "upon the assertion that their emission is...any regulation of the value of money" or even that legal tender paper currencies are "money".

In other words, the supreme Court did not rely *in any way* on Article I, Section 8, Clause 5 in upholding the power of Congress to emit a legal tender paper currency.

This admission is of profound importance and invalidates any theory today that our legal tender paper currency is "money" as understood by the Constitution.

Since the court did not rely on Article I, Section 8, Clause 5 to uphold the power of Congress to emit a legal tender paper currency, *how did the court justify this power?*

The **Knox** court stated:

"What we do assert is, that Congress has power to enact that the government's promises to pay money shall be, for the time being, equivalent in value to the representative value determined by the coinage acts..."¹⁴

Their "answer" was certainly not a ringing endorsement of clarity or disclosure. Such a cryptic answer which wholly fails to justify or explain their supposed answer provides a fair degree of evidence that the real answer which empowers Congress to emit legal tender paper currencies is likely so *fragile* that the Court cannot afford overt disclosure.

13. *Knox v. Lee*, 79 U.S. 457 @ 553, 1871.

14. *Ibid.*

The *Knox* court did later provide an important, vital but well-hidden clue in how it came to that determination; but first it is helpful to know what the second legal tender court case upheld before we delve into that important clue from the first court.

In *Juilliard v. Greenman*, the supreme Court stated in 1884 that (italics and underscore added throughout):

"Congress has the power to issue the obligations of the United States in such form, and to impress upon them such qualities as currency for the purchase of merchandise and the payment of debts, *as accord with the usage of sovereign governments.*"¹⁵

One may ask why the court concerned itself with the powers of sovereign governments. This is especially pertinent when one reads of the passage of the Court's concern for the "distribution of powers" of the "governments of *Europe* under their respective constitutions":

"The governments *of Europe*, acting through the monarch or the legislature, according to the distribution of powers under their respective constitutions, had and have as sovereign a power of issuing paper money as of stamping coin."¹⁶

Are we to believe that European constitutions have influence in our form of government (Government Model "A"), but our own Constitution does not?

The *Juilliard* Court's comments continued further on the theme of sovereign government power:

"The power, as incident to the power of borrowing money and issuing bills or notes of the government for money borrowed, of impressing upon those bills or notes the quality of being a legal tender for the payment of private debts, was a power universally understood to belong to sovereignty, in Europe and America, at the time of the framing and adoption of the Constitution of the United States."¹⁷

The *Juilliard* Court's comments make no sense at all if one only thinks of our normal American government model ("A", Figure 1) where the powers of the federal government are determined and detailed by *our* Constitution.

Since the *Juilliard* Court's comments make no sense if one thinks of our normal constitutional government model, our Government Model "A" *must be the wrong model used to support legal tender paper currencies!*

Since we know the Constitution actually authorizes *two* very different forms of government, *do the Court's comments make sense in light of Government Model "B"?*

Yes, viewed in light of the government model for the District constituting the Seat of Government, the *Juilliard* Court's comments *make perfect sense*.

One must realize that in the normal constitutional government model (Model "A"), the whole of the Constitution provides many express parameters for allowable government action. Thus those powers are well-defined by a written Constitution *which may be studied and referenced*.

Likewise with the State governments under Government Model "A", one may look to the U.S. Constitution and the various State Constitutions to study the allowable powers of each State.

The question of what is allowable government action within the exclusive legislative jurisdictions for the District constituting the Seat of Government of the United States *is however, a wholly different equation*.

What, for instance, are the allowable parameters allowed there? Where does one go to study them?

The answers to these questions are anything but simple, or well-defined. One must look far and wide, review scads of court cases, read many legislative acts, etc., to help determine allowable power *that is nowhere outlined*.

How many clauses within the Constitution determine the extent of action within the District constituting the Seat of Government?

The answer is "only one"; Clause 17 of the Eighth Section of the First Article is the only clause within a written Constitution which touches upon the subject.

Thus it *is* here pertinent and helpful to know what powers sovereign, western-style governments were exercised at the time the District was created, for this knowledge does help determine from which powers Congress may choose to exercise.

Though Clause 17 doesn't actually allow "arbitrary" government, it certainly appears arbitrary to the casual observer.

Scarcely have any world governments existed with such undefined power.

The *Juilliard* Court upheld the power of Congress to emit a legal tender paper currency by holding that Congress emitted these notes within their exclusive legislative jurisdiction for the District constituting the Seat of Government of the United States.

15. *Juilliard v. Greenman*, 110 U.S. 421@ 447, 1884.

16. *Ibid*.

17. *Ibid*.

This ruling does not imply that the notes could ever be a legal tender for the United States as “the United States” are defined and understood by the Constitution, however.

Earlier Court cases which looked at this question from that point of view held the only legal tender for the United States of America was and is gold and silver coin.¹⁸

What then about the Knox Court?

Before going too far into the clue provided by the first court upholding a legal tender paper currency, one must know a little about the express federal criminal jurisdiction authorized by the Constitution.

The Constitution expressly authorizes only three federal crimes (four, if one counts impeachments), actions that are federal crimes even if they otherwise occur within State boundaries. These federal crimes are counterfeiting the securities and current coin of the United States; piracies and felonies committed on the high seas and offenses against the laws of nations, and treason.

Figure 9.

Express Federal Criminal Jurisdiction

Article I, Section 8, Clause 6:	Counterfeiting
Article I, Section 8, Clause 10:	Piracies
Article III, Section 3, Clauses 1 & 2:	Treason
Article II, Section 4: Impeachments	

The *Knox* Court brought up and discussed these three classes of crimes, even though the underlying case (challenging the ability of Congress to emit a legal tender paper currency) had nothing to do with any alleged crime.

Since there seems to be little direct reason or correlation for bringing up a seemingly-irrelevant matter (at least with common understanding of the principles involved in the case), it should alert the astute investigator that more is likely at play here than commonly understood.

After discussing the three classes of federal crimes in the Constitution, the ***Knox*** Court then wrote (italics added):

"Yet Congress, by the act of April 30, 1790...and the supplementary act of March 3d, 1825, defined and provided for the punishment of a *large class of crimes other than those mentioned in the Constitution*, and some of the punishments prescribed are manifestly not in aid of any single substantive power. No one doubts that this was

rightfully done, and the power thus exercised has been affirmed by this court".¹⁹

Since the *Knox* Court specifically brought up the April 30, 1790 act of Congress implementing various criminal penalties (and the 1825 act), it is important to look there now to see why they would bring up and spend a fair amount of time on a seemingly-irrelevant issue.

First off, it should be noted that the Court was specifically discussing "a large class of crimes *other than those mentioned in the Constitution*".

Thus, the Court's earlier reference of counterfeiting, piracies and treason may be safely ignored as supporting their holding of paper currencies as a legal tender (as those topics are expressly mentioned in the Constitution); thus these sections of the 1790 (and 1825) criminal act(s) provide no help in understanding the court's reasoning in supporting a legal tender paper currency.

By a process of elimination, one finds sections of the **1790 act** such as **Section 3**, which reads (italics added):

"That if any person or persons shall, within *any fort, arsenal, dock-yard, magazine, or in any other place or district of the country, under the sole and exclusive jurisdiction of the United States*, commit the crime of wilful murder, such person or persons on being thereof convicted shall suffer death." ²⁰

Many other sections of the 1790 act were similarly worded and all dealt in some manner with the exclusive legislative jurisdiction of the United States.

The only other section which did not deal with exclusive legislative jurisdiction crimes or crimes expressly-mentioned in the Constitution (treason, etc.) dealt with court procedure.

Since no other of the many acts dealing with court procedure were mentioned and since this topic did not here involve "*a large class of crimes*" mentioned in the 1790 crime act, court-related crimes are also eliminated from discussion.

Upon careful reflection, it *is* actually highly relevant that the *Knox* Court indirectly referenced the exclusive legislative jurisdiction of the United States, because it was under this exclusive legislative jurisdiction that Congress emitted the legal tender paper currency in the first place ("within the United States" redefined only as the District constituting the Seat of Government of the United States) and it was only under this exclusive legislative jurisdiction that the Court was now upholding it.

18. See *Bronson v. Rodes*, 74 U.S. 229 @ 245, 246, 249 - 252, 1869 and *Hepburn v. Griswold*, 75 U.S. 603 @ 616, 624 - 625, 1870.

19. *Knox v. Lee*, 79 U.S. 457 @ 536, 1871.

20. 1 Stat. 113.

It should be further mentioned that while the *Knox* Court's statement that the 1790 crime act imposed punishments for "a large class of crimes other than those *mentioned* in the Constitution" is technically accurate, it is nevertheless misleading (seemingly supporting again a non-existent Government Model "C").

It is true that the Constitution does not expressly *mention* the *criminal* jurisdiction for the District for the Seat of Government, yet it nevertheless certainly does provide for it.

One must realize that the wording of Article I, Section 8, Clause 17 that Congress shall have power to "exercise exclusive legislation in *all Cases whatsoever*" extends not only to *civil* cases, but also to *criminal* cases.

Thus the 1790 crime act imposing the penalties for murder, etc. within the exclusive jurisdiction areas of the United States was proper, even though the Constitution does not expressly mention such criminal jurisdiction (for murder, etc., in the seat of government or within forts, magazines, etc.).

Remember there is now no State government available in the District for the Seat of Government to pass laws which a State would normally enact, such as for prescribing punishment for the criminal act of murder.

The last quote to examine under the legal tender court cases comes again from *Knox*, stating:

"This is the extent of power to punish crime expressly conferred. It might be argued that the expression of these limited powers implies an exclusion of all other subjects of criminal legislation. Such is the argument in the present cases. It is said because Congress is authorized to coin money and regulate its value it cannot declare anything other than gold and silver to be money and make it a legal tender."²¹

Here is the strict-constructionist's argument against a legal tender paper currency, since the Constitution (within its normal, bifurcated constitutionally-authorized government power structure [Government Model "A"]) grants Congress only the ability to coin money and regulate its value, they cannot take something which is not money (but merely a promise to pay money) and make it a legal tender. This is explicitly admitted by Justice Strong and the majority of the Court in the *Knox* case when the Court admits "Such is the argument in the *present* cases".²²

21. *Knox v. Lee*, 79 U.S. 457 @ 535 - 536, 1871.

22. Two suits, *Knox v. Lee* and *Parker v. Davis*, were both heard jointly.

It is important to note that considering the legal ramifications of the legal tender cases shown herein (to validate the legal tender acts only on account of them being authorized for the District constituted for the Seat of Government under Article I, Section 8, Clause 17 [Government Model "B"]), that the principle expounded by the Tenth Amendment remains standing, that the powers not delegated to the United States *are reserved* to the States (or to the people, in the cases where any power in question is not delegated to any American government).

Both the *Knox* and *Julliard* court cases upheld legal tender paper currencies only within the District constituting the Seat of Government of the United States, for Congress operating under Article I, Section 8, Clause 17.

All paper currencies (including United States notes and Federal Reserve notes) are a legal tender *only* for the District constituting the Seat of Government of the United States.

The battle for legal tender being only gold and silver coin and/or also a paper currency boils down to only a battle between the two government models authorized by the Constitution, Government Models "A" and "B".

The Constitution only empowers Congress (under our normal constitutional form of government [Model "A"]) to coin money of gold and silver coin as a tender in payment of debts in the United States, as the term "United States" is used and understood by the Constitution.

We Americans have simply been misled into mistakenly-believing that Congress have been operating under Government Model "A", which was somehow mysteriously transformed to Government Model "C", when they were in fact simply legislating within Government Model "B", within their exclusive legislative jurisdiction for the District constituting the Seat of Government of the United States under the authority of Article I, Section 8, Clause 17.

We Americans have simply failed to comprehend the necessary implications of the second governmental model created by the Constitution, the Government Model "B" which allows Congress to exercise exclusive legislation for the District constituting the Seat of Government.

Advocates of all-powerful government want proponents of individual liberty and limited government to believe that our normal government model authorized by the spirit of the Constitution (Model "A") is no longer relevant, and want us to question if it ever even existed.

They promote instead non-existent Government Model "C", that of immense federal government power seemingly without limit, with only very weak State governments.

The manner by which Congress have appeared omnipotent in monetary powers is the same manner by which Congress appears all-powerful in all other of their actions which appear to violate the letter and spirit of the Constitution.

Congress have actually abided by the strict *letter* of the Constitution (thus their actions are not “unconstitutional”, since they *are* operating within the confines of one constitutional clause [Article I, Section 8, Clause 17]). Lawmakers (or those persons actually crafting the proposed legislative bills) are generally quite careful to avoid engaging in any outright fraudulent practices (for obvious reasons), and thus tend to leave clues as discussed herein.

Of course, their actions nevertheless violate certainly the *spirit* of the remainder of the Constitution.

It is well past time to follow the lead of the small dog with a little brain but who trusted his nose and, smelling things amiss, investigated until he found the clever man behind the curtain pulling the levers of government which only appeared to be all-powerful.

One must now pull back the curtain and bark loudly, drawing much-needed attention to this devious bit of deception, even as the wizard tells the audience "to pay no attention to the man behind the curtain".

Figure 10. Wizard of Oz; MGM 1939



All eyes must be fixed upon the manner of deception employed so we may learn to protect our lives, our liberty and our sacred honor and live again under a limited Constitutional Republic.

We have lived far too long under the Congress exclusively legislating "in all Cases whatsoever"; the arbitrary and despotic actions of clever tyrants must be exposed as the acts of tyrants.

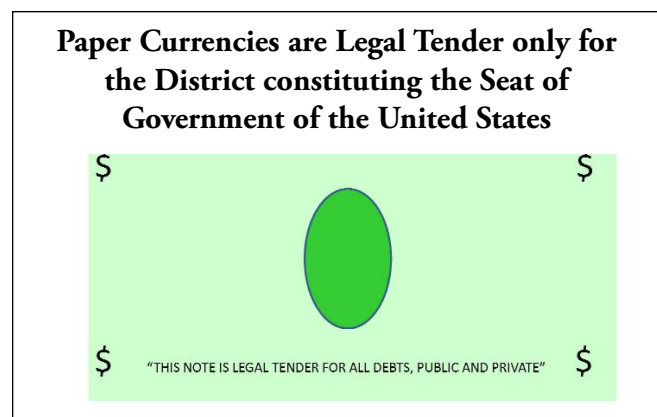
Thankfully, their improper actions rest only upon the extremely fragile foundation of deception, of keeping the true nature and actual authority of their actions secret.

The answer for regaining individual liberty and limited government under the Constitution, of course, is to expose the secret of the federal government operating primarily in Government Model “B” authority and regain our proper Government Model “A” for all the States.

Figure 11



Figure 12



Gold Confiscation

No paper on legal tender is perhaps complete without at least a passing reference to the so-called gold “confiscation” or “prohibition” in 1933 by F.D.R.

As the supposed confiscation and prohibition of gold by President Franklin D. Roosevelt lasted “only” forty years (until 1973) and as no prohibition is any longer applicable today, this topic will be only briefly covered within *The Dollar, Revisited*.

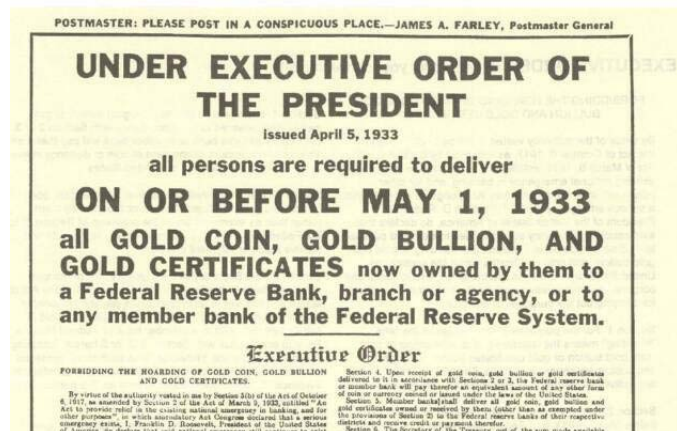
It is important to study gold “confiscation” today because a future threat of gold prohibition yet looms over its ownership because it supposedly happened in the past.

Gold “confiscation” is also important to study because it again falsely appears that Congress may do whatever they want with our money as great as any despot.

Readers interested in learning more about gold “confiscation” should look to **Monetary Laws of the United States** at www.MonetaryLaws.com for a complete detailing of this matter.

The following government poster (Figure 13) refers to Executive Order No. 6102 issued on April 5, 1933 by F.D.R.

Figure 13.



It must be noted that **Executive Order No. 6102** expressly stated, within **Section 1**, that (italics added throughout):

"For the purposes of this regulation, the term... '*person*' means any individual, partnership, association or corporation."

Section 2 of the Order stated, in part, that:

"*All persons* are hereby required to *deliver* on or before May 1, 1933, to a Federal Reserve Bank or branch or agency thereof or to any member bank of the Federal Reserve System *all gold* coin, gold bullion and gold certificates now owned by them or coming into their ownership on or before April 28, 1933, except the following..."

Following were four exceptions which here are mostly irrelevant (\$100 of gold allowed per person, gold used in art or industry under a license issued by the President, gold coins of special numismatic value, etc.).

It should strike readers exceedingly odd first of all that the government (through an Executive Order, no less) *required* "all persons" to deliver "all Gold" to a private "bank" (which further would be "paid for" with non-redeemable currency).

The primary point to take from this is that "person" was defined in Section 1 of the order *without limitation* as "any individual, partnership, association or corporation" and "*All persons*" were required to deliver to a bank all their gold (other than the excepted gold) in Section 2.

And yet "banks" were mysteriously exempted from being "persons" or from being "individuals, partnerships, associations or corporations", even though there were no express exemptions of banks or others in the order.

If some persons are not "persons" for "the purposes of this regulation", or if some individuals, partnerships, associations or corporations are not "individuals, partnerships, associations or corporations" again for purposes of this regulation, are there possibly also not other exemptions which are also not listed?

Recall that the **Fifth Amendment** states, in part:

"No person shall be...deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use without just compensation."

Again, taken at face value, it appears an important protection within our written Constitution is being nullified, here by a mere Executive Order. *May the President nullify the very document which creates his office and empowers him to act?*

As any clever magician using a well-practiced sleight of hand and successful methods of distraction realizes, appearances can certainly be deceiving. Most Americans seem to believe that Congress, the courts and the President may act in absolute defiance to the Constitution with complete impunity and immunity, rather than admit we have simply been duped.

The Executive Order admits as much.

Section 2 exempted out four categories of exceptions, which, when exercised, meant that excepted gold owned by persons *did not get delivered to the banks*.

Reading **Section 5** of the Order, however, one finds that:

"Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (*other than as exempted under the provisions of Section 2*) to the Federal Reserve Banks".

Section 5 of Executive Order No. 6102 is actually the only clearly-worded section of the order, for it properly tells *who* is responsible to send in gold *where*.

Executive Order No. 6102 was really only a margin call to the member banks of the Federal Reserve system from their broker (the Treasury, here through the Treasury's boss, the President) to shore up their banks' balance sheets which were being rapidly depleted of sufficient capital by a public who no longer trusted that the banks contained sufficient assets to cover their over-extended liabilities.

If "persons" were defined without limitation as we are led to believe, where and why would the "member banks" listed in Section 5 have in their hands any gold exempted under Section 2?

We saw in Section 2 that if gold was exempted by one of the four subsections listed, then that exempted gold would NOT be delivered to any bank.

Are banks "persons" or are they not "persons"?

Does it really make sense that one "person" may even receive gold even as he is required to turn it in (within the same time-table and to the same "persons")?

But in Section 5, we see now that the member banks themselves may take exemption under Section 2 of the Act.

Section 2 of the act really *only* applied to member banks (and their shareholders) who had a contractual duty to keep gold in the Treasury to back their bank liabilities (their note issues and their customer's deposits).

Section 16 of the **1913 Federal Reserve Act** states (italics added):

"Upon the request of the Secretary of the Treasury, the Federal Reserve Board shall *require* the Federal reserve agent to *transmit* so much of said *gold* to the *Treasury of the United States* as may be required for the exclusive purpose of the redemption of such notes".²³

"Person" in the gold confiscation order only legally meant the member banks and their shareholders who became obligated to send gold to the treasury to back the banking liabilities which they willingly assumed when they agreed to abide by the Federal Reserve act as they sought to reap its vast rewards (but even greed has its limits).

Americans cannot be deprived of their property, including their most liquid form of property (their gold [and silver] coins), without due process and just compensation.

23. 38 Stat. 267

It is not "just compensation" to receive paper in return for gold against the wishes of the owner of the gold.

The Constitution is alive and well in the United States of America, it is just that Congress have been legislating almost exclusively in their Article I, Section 8, Clause 17 jurisdiction where they have far, far greater authority (they do not have absolute authority, as pointed out by the *Julliard* Court, this is why it is proper to look at the European and American constitutions at the time the District constituting the Seat of Government was created to help learn from what powers Congress may draw).

To regain the whole of our Constitution, we freedom-loving Americans must simply expose the deceptive manner through which our Congress legislates, our President and his officers act, and under which our Court adjudicates controversies brought before it.

Please consider doing your part, learning more of this matter and then start barking loudly...

For a thorough examination of the principles herein involved and the Constitution's view of "money" according to Article I, Section 8, Clause 5 and Article I, Section 10, Clause 1, please see ***Monetary Laws of the United States (Volumes I*** [narrative] and ***II*** [appendix of the U.S. Monetary Laws]) at www.MonetaryLaws.com or www.Scribd.com/Matt_Erickson_6.

